

AMENDED AGENDA #2
HOUSE WAYS & MEANS COMMITTEE
1:30 pm or upon adjournment
Room C310 JFAC
Thursday, February 27, 2014

SUBJECT	DESCRIPTION	PRESENTER
<u>RS22923</u>	Clarifying that irrigation entities may not be taken over by eminent domain and providing for retroactive application	Speaker Scott Bedke
<u>RS22924</u>	Clarifying that irrigation entities may not be taken over by eminent domain	Speaker Scott Bedke
<u>RS23001C1</u>	Elections for Certain Urban Renewal Projects	Rep. Youngblood
<u>RS22955</u>	Urban Renewal	Rep. Malek
<u>RS23004</u>	Renewing Administrative Rules	Rep. Crane
<u>RS23023</u>	Closing Protection	Kris Ellis, First American Title

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Anderson(1)

Rep Moyle

Rep Crane

Rep Vander Woude

Rep Rusche

Rep Burgoyne

Rep Pence

COMMITTEE SECRETARY

Lisa Hamlin

Room: EW12

Phone: 332-1159

email: hway@house.idaho.gov

MINUTES
HOUSE WAYS & MEANS COMMITTEE

DATE: Thursday, February 27, 2014
TIME: 1:30 p.m. or upon adjournment
PLACE: Room C310 JFAC
MEMBERS: Chairman Anderson (1), Representative(s) Moyle, Crane, Vander Woude, Rusche, Burgoyne, Pence
ABSENT/EXCUSED: None
GUESTS: Norm Semanko, Idaho Water Users Association, Inc.

Chairman Anderson (1) called the meeting to order at 1:31 p.m.

RS 22923 AND RS 22924: **Speaker Scott Bedke** stated **RS 22923** and **RS 22924** deal with a conflict between the City of Caldwell and Pioneer Irrigation District. **RS 22923** includes an emergency clause with a retroactivity provision to resolve pending condemnation litigation. Speaker Bedke stated the conflict between municipalities and water districts has largely been resolved around the state with licensing agreements, different types of arrangements and different types of contractual arrangements. The notable exception now is the conflict between the City of Caldwell and Pioneer Irrigation District. He explained in the event the lawsuits are not settled, legislation may be necessary. He noted **RS 22923** is retroactive to June 1, 2012, prior to a district court ruling.

In response to questions, **Speaker Bedke** stated Title 42-1209 has been a source of contention through the years and there have been amendments to this section of Code. The proposed legislation allows for condemnation for concurrent uses if there is capacity in the irrigation district; then that irrigation district cannot keep others from using it. However, to have a city condemn an irrigation district to run it as an irrigation district is thought to be a bridge too far; not only in Canyon County, but everywhere.

Regarding the retroactive clause in the bill of an existing lawsuit, **Speaker Bedke** stated it is somewhat unusual. Regarding the word "entity", Speaker Bedke stated there are drainage ditches that are maintained and used by irrigation companies as well as the Department of Reclamation. He stated in the Treasure Valley there are drains that collect waste water off of one end and that becomes the head waters for the next one and the next one. Pioneer diverts water for three or four other entities.

MOTION: **Rep. Moyle** made a motion to introduce **RS 22923**. **Motion carried by voice vote.**

RS 22924: **Rep. Moyle** stated **RS 22924** is the same as **RS 22923**, without the emergency clause.

MOTION: **Rep. Moyle** made a motion to introduce **RS 22924**. **Motion carried by voice vote.**

RS 23001C1: **Rep. Anderst** presented **RS 23001C1**. He stated the proposed legislation establishes election criteria for certain types of property. Those criteria would be public use facilities, such as libraries and city halls. The grandfather clause states as long as more than \$10,000 has been allocated towards the cost of the project based on the date of July 1, 2014, it would not be subject to this proposed legislation.

In response to whether it was limited to city halls and libraries versus a jail or any other municipal structure, **Rep. Anderst** explained there were always arguments to be made that public works facilities (i.e., fire stations, police stations), could be seen as a larger part of an economic development project.

MOTION: **Rep. Crane** made a motion to introduce **RS 23001C1**. **Motion carried by voice vote. Reps. Rusche, Burgoyne, and Pence** requested that they be recorded as voting **NAY**.

RS 22955: **Rep. Malek** presented **RS 22955**, urban renewal. He stated the purpose of this proposed legislation is to revise and clarify a definition in the Local Economic Development Act, Section 50-2903 Idaho Code relating to urban renewal districts. This amendment clarifies the definition of "municipality" to include "a city, county or any taxing district." The amendment provides that a city, county or other taxing district is eligible to receive reimbursement for services rendered on behalf of an urban renewal district relating to the implementation of an urban renewal project plan.

MOTION: **Rep. Rusche** made a motion to introduce **RS 22955**. **Motion carried by voice vote.**

RS 23004: **Rep. Crane** presented **RS 23004**. He stated **RS 23004** is known as the "drop dead bill" and it is necessary to pass this in order to complete the legislative session, and have Administrative Rules in full force.

MOTION: **Rep. Rusche** made a motion to introduce **RS 23004** and recommend it be sent directly to the Second Reading Calendar. **Motion carried by a voice vote. Rep. Crane** will sponsor the bill on the floor.

RS 23023: **Kris Ellis**, First American Title, presented **RS 23023**. Ms. Ellis explained when an individual purchases title insurance, the individual is purchasing insurance that covers the title of the property. She stated in the last few years, lenders have begun requiring a guarantee that the funds are good as the funds move through the purchase and sale, or refinance.

Ms. Ellis stated the legislation would allow title companies to issue closing or settlement protection to a buyer, borrower or lender to insure the funds, and not be in violation of the mono-line statute. She explained the legislation was written with substantial input from the Department of Insurance, and does not believe there is opposition to the proposed legislation.

MOTION: **Rep. Moyle** made a motion to introduce **RS 23023**. **Motion carried by voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 1:50 p.m.

Representative Anderson(1)
Chair

Lisa Hamlin
Secretary

AMENDED AGENDA #2
HOUSE WAYS & MEANS COMMITTEE
1:30 pm or upon adjournment
Room C310 JFAC
Wednesday, March 05, 2014

SUBJECT	DESCRIPTION	PRESENTER
<u>RS22986</u>	Endowment Asset Study	Rep. Vander Woude
<u>RS23041</u>	Coeur d' Alene Tribe, water rights	Rep. Malek
<u>RS23082</u>	Outfitters and Guides	Russ Hendricks Idaho Farm Bureau Federation
<u>RS23071</u>	Cloud Services	Jay Larsen Idaho Technology Council

COMMITTEE MEMBERS

Chairman Anderson(1)
Rep Moyle
Rep Crane
Rep Vander Woude
Rep Rusche
Rep Burgoyne
Rep Pence

COMMITTEE SECRETARY

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MINUTES
HOUSE WAYS & MEANS COMMITTEE

DATE: Wednesday, March 05, 2014

TIME: 1:30 pm or upon adjournment

PLACE: Room C310 JFAC

MEMBERS: Chairman Anderson(1), Representative(s) Moyle, Crane, Vander Woude, Rusche, Burgoyne, Pence

**ABSENT/
EXCUSED:** Chairman Anderson(1)

GUESTS: Helo Hancock, Coeur d'Alene Tribe; Elizabeth Criner, NWFP/Simplot.

Rep. Moyle called the meeting to order at 1:33 p.m.

MOTION: **Rep. Pence** made a motion to approve the minutes of February 27, 2014. **Motion carried by voice vote.**

RS 22986: **Rep. Vander Woude** presented **RS 22986**. He stated the proposed Concurrent Resolution requests that the Legislative Council appoint a committee to study Endowment Land issues, including governance, management, operation, disposal, preservation and financial performance of endowment assets. He explained there have been ongoing issues which have not been resolved, and now is a good time to resolve the issues.

In response to questions, **Rep. Vander Woude** stated the committees comprehensive authority allows the committee to address unforeseen issues.

Rep. Burgoyne stated one of the problems with the land issues is what appears to be a particular kind of issue for one person will get morphed into a variety of issues by other people. The scope of the resolution has to address a variety of different things that people will raise.

MOTION: **Rep. Burgoyne** made a motion to introduce **RS 22986** and recommend it be sent to the Second Reading Calendar. Rep. Burgoyne requested his name be added to the SOP as a co-sponsor. **Motion carried by voice vote. Reps. Vander Woude and Burgoyne** will sponsor the bill on the floor.

RS 23041: **Rep. Malek** presented **RS 23041**, a proposed Concurrent Resolution which addresses water rights in the Coeur d'Alene Spokane River Basin. According to Rep. Malek, this has been an ongoing issue since October 2013. He stated there were three main premises regarding the issue: First, negotiated settlements provide for a resolution of federal water rights claims in a manner that is less disruptive to existing state water right holders. Second, prolonged litigation of the issues is extremely costly to the taxpayers of the state. Third, it is believed the opportunity to engage in negotiations with the United States and the Coeur d'Alene Tribe may establish another basis for continued cooperation between the Tribe and the State. He stated this is a unique situation, where Idaho water is moving into Washington, and there is collaboration to ensure Idaho water is protected.

In response to questions, **Rep. Malek** stated the case is currently in court and when the negotiated process is complete, any negotiated agreement between the State of Idaho and the Coeur d'Alene Tribe, would require judicial approval.

MOTION: **Rep. Burgoyne** made a motion to introduce **RS 23041** and recommend that it be sent directly to the Second Reading Calendar. **Motion carried by voice vote. Rep. Malek** will sponsor the bill on the floor.

- RS 23082:** **Russ Hendricks**, Idaho Farm Bureau Federation, presented **RS 23082**. He stated **RS 23082** is a new version of **H0468** which is currently holding on the Third Reading Calendar. The Resource and Conservation Committee sent it to the Floor, where issues concerning unintended consequences were realized. Individuals worked with the affected parties and drafted language which address the concerns raised, while maintaining the intent of the bill. Mr. Hendricks stated there is one minor exception, with regard to the final paragraph of **RS 23082** and explained to committee members the revised language for page 3, lines 20-23.
- MOTION:** **Rep. Rusche** made a motion to introduce **RS 23082** with the changes on page 3. **Rep. Rusche** stated his concern and questioned whether a private property right negates the value of the state licensing schema. Rep. Rusche questioned if this was a road to start going down where private property rights can negate the ability of the state to require licenses and professional regulation aimed at protecting the public. He said now to question whether you need to have an outfitters guide because it promotes safety is a whole other question. He said he thought **RS 23082** deserves discussion, and should not be sent to the Second Calendar Reading.
- SUBSTITUTE MOTION:** **Rep. Burgoyne** made a substitute motion to introduce **RS 23082** striking lines 20-23 on page 3, and adding the change provided by **Mr. Hendricks** and recommend **RS 23082** be sent directly to the Second Calendar Reading. **Motion carried by voice vote.** **Rep. Boyle** will sponsor the bill on the floor.
- RS 23071:** **Jay Larsen**, President, Idaho Technology Council, presented **RS 23071**. He stated the proposed legislation is consistent with Idaho tax policy excluding services from state sales taxation subscriptions, licenses or similar arrangements for the use of computer software are excluded from the definition of "computer software" and are not subject to Idaho sales or use tax unless some tangible form of the software is delivered to the user.
- In response to questions, **Mr. Larsen** stated when the Code was written in 1983-1993, Cloud services were not available. This will allow an individual to have some sort of service where an individual pays a small subscription fee or some other type of agreement, and the individual will use the service monthly.
- In response to questions, **Mr. Larson** stated there are 20 companies in Idaho which were not in existence 5-7 years ago. Several of those companies have over a ½ billion dollars in revenue and pay taxes. This is an industry that will continue to grow and tends to pay higher salaries.
- MOTION:** **Rep. Rusche** made a motion to introduce **RS 23071**. **Motion carried by voice vote.**
- ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 1:50 p.m.

Representative Moyle
Acting Chair

Lisa Hamlin
Secretary

AMENDED AGENDA #2
HOUSE WAYS & MEANS COMMITTEE
1:30 pm or upon adjournment
Room C310 JFAC
Monday, March 10, 2014

SUBJECT	DESCRIPTION	PRESENTER
<u>RS23114</u>	Highway Funding	Sen. Brackett
<u>RS23096</u>	Eminent Domain/Prejudgment Interest	Rep. Morse
<u>RS23119</u>	Social Worker Recognition Month	Rep. Rusche

COMMITTEE MEMBERS

Chairman Anderson(1)
Rep Moyle
Rep Crane
Rep Vander Woude
Rep Rusche
Rep Burgoyne
Rep Pence

COMMITTEE SECRETARY

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MINUTES
HOUSE WAYS & MEANS COMMITTEE

DATE: Monday, March 10, 2014

TIME: 1:30 pm or upon adjournment

PLACE: Room C310 JFAC

MEMBERS: Chairman Anderson(1), Representative(s) Moyle, Crane, Vander Woude, Rusche, Burgoyne, Pence

**ABSENT/
EXCUSED:** Rep. Rusche

GUESTS: Woody Richards, Insurance Companies; Paul Jacobson, Farmer's Insurance; Phil Barber, American Insurance Association

Chairman Anderson (1) called the meeting to order at 3:07 p.m.

MOTION: **Rep. Pence** made a motion to approve the minutes of March 5, 2014. **Motion carried by voice vote.**

RS 23114: **Sen. Brackett** presented **RS 23114**. He stated this proposed legislation creates a process whereby a locally elected county or highway district board may petition the Idaho Transportation Board if historic maintenance is not being done and public health and safety is being jeopardized. The petition must also establish that the subject highway, or relevant portion thereof, provides the only practical access to a city, town or other developed area. Sen. Brackett explained upon approval of a petition, the Idaho Transportation Board may either undertake the maintenance itself or it may contract with another county or highway district to do so. The actual cost of the maintenance would be paid out of funds that otherwise would have been allocated to the county or highway district that was not providing adequate maintenance. This funding arrangement may later be modified or terminated.

MOTION: **Rep. Moyle** made a motion to introduce **RS 23114**. **Motion carried by voice vote.**

RS 23096: **Rep. Morse** presented **RS 23096**, and explained this proposed bill would preserve the current rate of interest of 12 cents on the dollar for eminent domain cases. He stated the proposed legislation is brought because of another piece of legislation, **S 1282**, which would lower interest rates to 7.5 cents on the dollar statewide. Rep. Morse stated this is an involuntary process and it disrupts the owner's expectations. He stated rates for similar proceedings around the area include: Utah at 10 percent, Washington at 12 percent and Oregon at 9 percent. He stated if the Senate Bill passed, it would put Idaho down at 7.5 percent. According to Rep. Morse, the process can be lengthy and often take years to settle. He emphasized it is important to have an interest rate which provides an incentive to settle the case that reflects both the risk and the lost opportunity cost for the owner.

In response to questions concerning under what circumstances would free judgment interest arise in a condemnation case, **Rep. Morse** stated it arises in an instance where the owner is paid based on the condemnor's appraisal and the issue of compensation. According to Rep. Morse, this issue is litigated all the time where the issue of compensation is in question. He explained the condemnor would only tender into court what they believe just compensation and then the owner would be entitled to additional compensation when either the case is tried or the matter is settled. There is an ownership equity issue where the individual is deprived of use of those funds over that period of time.

MOTION: **Rep. Burgoyne** made a motion to introduce **RS 23096**. **Motion carried by voice vote.**

RS 23119: **Rep. Burgoyne** presented **RS 23119**, and stated it was his understanding that a similar resolution came out of the Health and Welfare Committee. He explained it was apparently without a hearing and was called back to the committee. The proposed resolution proclaims the month of March 2014, as Social Worker Recognition Month.

MOTION: **Rep. Moyle** made a motion to introduce **RS 23119**. **Motion carried by voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 3:16 p.m.

Representative Anderson(1)
Chair

Lisa Hamlin
Secretary

AMENDED AGENDA #1
HOUSE WAYS & MEANS COMMITTEE
1:30 pm or upon adjournment
Room C310 JFAC
Tuesday, March 11, 2014

SUBJECT	DESCRIPTION	PRESENTER
<u>RS23127</u>	Sunshine Law	Rep. Crane
<u>RS23049C1</u>	Alcoholic Beverage regulation	Rep. Gibbs

COMMITTEE MEMBERS

Chairman Anderson(1)

Rep Moyle

Rep Crane

Rep Vander Woude

Rep Rusche

Rep Burgoyne

Rep Pence

COMMITTEE SECRETARY

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MINUTES
HOUSE WAYS & MEANS COMMITTEE

DATE: Tuesday, March 11, 2014

TIME: 1:30 pm or upon adjournment

PLACE: Room C310 JFAC

MEMBERS: Chairman Anderson(1), Representative(s) Moyle, Crane, Vander Woude, Rusche, Burgoyne, Pence

**ABSENT/
EXCUSED:** None

GUESTS: None

Chairman Anderson (1) called the meeting to order at 2:37 p.m.

MOTION: **Rep. Pence** made a motion to approve the minutes of March 10, 2014. **Motion carried by voice vote.**

RS 23127: **Tim Hurst**, Chief Deputy, Secretary of State, presented **RS 23127**, and stated this is a fix to the Sunshine Law. Mr. Hurst stated it addresses a "nonbusiness entity", which is a nonprofit organization, receiving contributions and gifts and membership fees exceeding 10 percent of the total receipts. According to Mr. Hurst, in 2012 it was determined a couple of holes needed to be fixed. One was a new organization whose form argued it did not meet the definition of a "nonbusiness entity" because it did not collect fees from the preceding year. He stated another organization said they were exempt from reporting because the organization was not domiciled in this state; even though the organization spent money in Idaho. Mr. Hurst explained the proposed legislation corrects those two existent "nonbusiness entities." He stated if an organization fits the "nonbusiness entity," the organization must report if they target voters in the State of Idaho.

Mr. Hurst stated the other part of the proposed legislation deals with contingent fee lobbying of executive officials. He explained the lobby law was amended a few years ago to include executive lobbying, the portion of the law which prohibits contingent fee lobbying or lobbying for a commission was not changed; like the prohibition with the legislature right now. The proposed legislation fixes the problems.

MOTION: **Rep. Crane** made a motion to introduce **RS 23127**. **Motion carried by voice vote.**

RS 23049C1: **Rep. Moyle** presented **RS 23049C1**, and stated this proposed bill will transfer the licensing and regulation for alcohol sales and/or distribution, from the Idaho State Police (ISP) to the Idaho State Liquor Division (ISLD). It is an across the board move, and the intention is to talk about this during the summer.

MOTION: **Rep. Rusche** made a motion to introduce **RS 23049C1**. **Motion carried by voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 2:41 p.m.

Representative Anderson(1)
Chair

Lisa Hamlin
Secretary

AMENDED AGENDA #2
HOUSE WAYS & MEANS COMMITTEE
1:30 pm or upon adjournment
Room C310 JFAC
Thursday, March 13, 2014

SUBJECT	DESCRIPTION	PRESENTER
<u>RS23151</u>	Civil Liberties, Data Collection	Rep. Woodings
<u>RS23015</u>	Correctional Industries Act	Rep. Henderson

COMMITTEE MEMBERS

Chairman Anderson(1)

Rep Moyle

Rep Crane

Rep Vander Woude

Rep Rusche

Rep Burgoyne

Rep Pence

COMMITTEE SECRETARY

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MINUTES
HOUSE WAYS & MEANS COMMITTEE

DATE: Thursday, March 13, 2014

TIME: 1:30 pm or upon adjournment

PLACE: Room C310 JFAC

MEMBERS: Chairman Anderson(1), Representative(s) Moyle, Crane, Vander Woude, Rusche, Burgoyne, Pence

**ABSENT/
EXCUSED:** None

GUESTS: None

Chairman Anderson (1) called the meeting to order at 1:32 p.m.

MOTION: **Rep. Pence** made a motion to approve the minutes of March 11, 2014. **Motion carried by voice vote.**

RS 23151: **Rep. Woodings** presented **RS 23151**. Rep. Woodings stated for the past several years the civil rights of American citizens have increasingly been violated by the National Security Agency's (NSA) overreaching metadata mining efforts. The NSA has amassed billions of records including telephone and email metadata from innocent Americans. According to Rep. Woodings, the NSA has surreptitiously installed transmission devices on computer equipment before it reaches American consumers and have performed illegal survey links on communications of private citizens, all done without warrant. Rep. Woodings stated the Fourth Amendment of the United States Constitution and Section 17 of the Constitution of the State of Idaho protect citizens against such activity. She stated the activities of the NSA including the partnership with the Department of Homeland Security in relation to cyber incidents, needs to be reigned in as to not sacrifice the rights of innocent Americans under the Fourth Amendment in the name of national security.

MOTION: **Rep. Burgoyne** made a motion to introduce **RS 23151** and recommend it be sent to Second Reading Calendar.

In response to a question, **Rep. Woodings** stated she had reached out to individuals on the federal level concerning the NSA issue and had not received a response from anyone.

**SUBSTITUTE
MOTION:** **Rep. Crane** made a substitute motion to introduce **RS 23151**. **Motion carried by voice vote.** **Reps. Rusche** and **Pence** requested that they be recorded as voting **NAY**.

RS 23015: **Rep. Henderson** presented **RS 23015**. He stated it has become obvious in recent years, that the Idaho Correctional Industries has become a significant competitor to the private sector as the industries now produce a full range of products. He explained with the Correctional Industry movement into the private sector, where there is an employment issue that needs to be addressed for the State of Idaho, it has become a problem. Rep. Henderson explained not a lot of people know the extent of the sales effort that is put forth by the Correctional Industry. The Correctional Industry has six full-time salesman that call not just on city and county governments, it also sells directly to retail and wholesale establishments, and this is where the problem has arisen. He stated there are no issues with sales being restricted to governments and to provide training for inmates when the individuals are released, but this has become a commercial venture within the Correctional Institution, and it needs to be reexamined and rethought. During a meeting with local industries who came to testify, the business owners testified they were

suffering competitively from the competition of the Correctional Industries. Rep. Henderson stated the reason the Correctional Industries can be so competitive is it does not suffer the cost of the private sector. He explained the Correctional Industry does not pay any wages, personal property tax, retail tax, and does not provide medical benefits; so the costs are very low, especially in a product like printing. The Correctional Industry can print for much less cost than the private sector who has made all those investments.

In response to questions, **Rep. Henderson** stated he thought the justification for the industry was partly to train inmates, so once the individual was released, the individual would have a job skill, would go to work and recidivism would be reduced. Rep. Henderson stated he specifically asked on two separate occasions if inmates were selected for training who were going to be released/furloughed/pardon within the next two to three years, so the job skills would be current and the individual could obtain a job. Rep. Henderson said the answer was "no" and the Correctional Industry does not limit who is trained. For example, there is a journeyman that is serving a 20 year sentence who was trained and is working. Rep. Henderson said he asked if the Correctional Industry tracked inmates after an individual was trained to determine how many individuals were able to secure employment after release. He stated the response received on both occasions was no, the individuals are not tracked. He noted Correctional Industries is now tracking these individuals as of a month ago. Rep. Henderson stated the purpose of this proposed legislation is not to end the industry, because it has its merits. It has to be limited so it cannot sell to wholesalers who will sell to anybody.

MOTION: **Rep. Burgoyne** made a motion to introduce **RS 23015. Motion carried by voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 1:44 p.m.

Representative Anderson(1)
Chair

Lisa Hamlin
Secretary

AGENDA
HOUSE WAYS & MEANS COMMITTEE
11:30 am or immediately upon recess
Room C310 JFAC
Tuesday, March 18, 2014

SUBJECT	DESCRIPTION	PRESENTER
RS23182C1	North Idaho Water Adjudication	Rep. Barbieri

COMMITTEE MEMBERS

Chairman Anderson(1)

Rep Moyle

Rep Crane

Rep Vander Woude

Rep Rusche

Rep Burgoyne

Rep Pence

COMMITTEE SECRETARY

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MINUTES
HOUSE WAYS & MEANS COMMITTEE

DATE: Tuesday, March 18, 2014

TIME: 11:30 am or immediately upon recess

PLACE: Room C310 JFAC

MEMBERS: Chairman Anderson(1), Representatives Moyle, Crane, Vander Woude, Rusche, Burgoyne, Pence

**ABSENT/
EXCUSED:** None

GUESTS: None

Chairman Anderson (1) called the meeting to order at 11:23 a.m.

RS 23182C1: **Rep. Barbieri** presented **RS 23182C1**. He stated the central difference with **RS 23182C1** and **HCR 57** is noted on page 2, lines 18-19, which states in part, "Legislative Districts 2, 3, 4, 5 and 7 shall develop a process, including notice, for equal and open participation in the negotiations by claimants with valid Idaho water rights." Rep. Barbieri stated there are a few other minor changes, but this is the essence of the change. He stated this was the contention the parties were striving to negotiate for earlier with those who had constituents which were concerned about that language are now satisfied equal and open participation will be sufficient.

MOTION: **Rep. Moyle** made a motion to introduce **RS 23182C1**. **Motion carried by voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 11:25 a.m.

Representative Anderson(1)
Chair

Lisa Hamlin
Secretary

AMENDED AGENDA #3
HOUSE WAYS & MEANS COMMITTEE
1:20 pm or upon adjournment
Room C310 JFAC
Thursday, March 20, 2014

SUBJECT	DESCRIPTION	PRESENTER
<u>RS22496C2</u>	Income Tax/Health Insurance	Rep. Nielsen
<u>RS22932C1</u>	Deductions for Medical Costs	Rep. Nielsen
<u>RS22850</u>	Streamlined Sales Tax	Rep. Clow
<u>RS23191</u>	Jeff Youtz, Honored	Rep. Bell

COMMITTEE MEMBERS

Chairman Anderson(1)

Rep Moyle

Rep Crane

Rep Vander Woude

Rep Rusche

Rep Burgoyne

Rep Pence

COMMITTEE SECRETARY

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MINUTES
HOUSE WAYS & MEANS COMMITTEE

DATE: Thursday, March 20, 2014

TIME: 1:30 pm or upon adjournment

PLACE: Room C310 JFAC

MEMBERS: Chairman Anderson(1), Representatives Moyle, Crane, Vander Woude, Rusche, Burgoyne, Pence

**ABSENT/
EXCUSED:** None

GUESTS: None

Chairman Anderson(1) called the meeting to order at 1:21 p.m.

MOTION: **Rep. Pence** made a motion to approve the minutes of March 13, 2014 and March 18, 2014. **Motion carried by voice vote.**

RS 22496C2: **Rep. Nielsen** presented **RS 22496C2**. He stated the purpose of this proposed legislation is to amend Idaho Code Section 63-3022 to provide an equitable treatment of individuals, currently afforded to corporations, related to the deduction of health care premium expenses from Idaho net income. Corporations are able to deduct 100% of the amount paid for employee health insurance benefits from their net income, resulting in no taxation for these insurance premiums. Rep. Nielsen stated individuals who purchase insurance are not afforded the same tax deduction, which can be a disincentive to providing health care insurance for the individual and potentially, their dependents. Rep. Nielsen stated this legislation will be effective January 1, 2015.

MOTION: **Rep. Crane** made a motion to introduce **RS 22496C2**. **Motion carried by voice vote.**

RS 22932C1: **Rep. Nielsen** presented **RS 22932C1**. He stated the purpose of this proposed legislation is to amend Idaho Code Section 63-3022 and allow individuals to deduct the amount paid for specified, non-reimbursed health care expenses, allowable under section 213 of the Internal Revenue Code (IRC), as an adjustment to taxable income. Rep. Nielsen stated in the computation of Idaho taxable income, an individual would be able to itemize and thereby exclude from their net income, any amount paid for prescription drugs or products, doctor visits, hospital stays, co-pays, deductible's, physical therapy services, chiropractic services or any other health profession licensed pursuant to Title 54 Idaho Code. He said the payment for over-the-counter drugs or therapies, are not included as deductible expenses. This legislation would be effective January 1, 2015.

MOTION: **Rep. Crane** made a motion to introduce **RS 22932C1**. **Motion carried by voice vote.**

RS 22850: **Rep. Clow** presented **RS 22850**. He stated this proposed legislation, the Streamlined Sales Tax Simplification Act, brings together the relevant applicable statutes affecting the collection of Idaho sales and use taxes. Rep. Clow stated the sales/use tax statutes will be modified to qualify Idaho: 1) To be a member state with 24 other states in what is commonly referred to as the "Streamlined Sales and Use Tax Agreement," and; 2) For inclusion under U.S. Senate Bill (S.743) which was passed by the U.S. Senate on May 6, 2013. Rep. Clow explained these changes do not create new taxes. However they establish a streamline system for vendors to voluntarily collect and remit sales and use taxes from remote sales that are due; however, which here to fore, have not been collectable. This bill modifies Title 63 of Idaho Code to align definitions with those of the other member states. He stated it also provides for a simplified sale/use tax electronic reporting and remittance of taxes through the automated clearing house. Rep. Clow stated these simplifications will benefit all Idaho retailers, not just remote sellers to Idaho customers.

MOTION: **Rep. Burgoyne** made a motion to introduce **RS 22850**. **Motion carried by voice vote.**

RS 23191: **Rep. Bell** presented **RS 23191**. She stated the proposed legislation honors **D. Jeffrey Youtz**, the Director of the Idaho Legislative Services Office, for his thirty-six years of service to the Legislature, upon his retirement in September 2014.

MOTION: **Rep. Vander Woude** made a motion to introduce **RS 23191** and recommend it be sent to the Second Reading Calendar. **Motion carried by voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 1:31 p.m.

Representative Anderson(1)
Chair

Lisa Hamlin
Secretary